

The following changes are made to the Request for Proposals:

1. In L.9 (a), the time for the preproposal conference is at 8:30 a.m. Central Time instead of Eastern Time.
2. In L.9 (b), the site tour for Portsmouth will start from the Comfort Inn, 7525 US 23, Piketon, Ohio.
3. Section B.2 (e), 2nd paragraph is deleted and replaced with the following:

The total available award fee for the contract is \$ _____. Award fee available for each period is as set forth in the award fee plan. Should the anticipated scope per fiscal year increase or decrease by an estimated 10% or greater from the scope as priced in the contract for that year, the Contractor and Government will enter into good faith negotiations to adjust the fee pool for that year (and subsequent years as may be appropriate) accordingly.

4. In both sections C.1 and C.2, the Statements of Work for Portsmouth and Paducah, paragraph V.A. is deleted and replaced with the following:

A. Human Resources Management

1. Consistent with the terms and conditions of the contract, the Contractor is responsible for the performance of all human resource functions necessary and pertaining to its performance of the activities under this contract and to maintain positive employee relations and a stable and productive workforce. It is responsible for the recognition, negotiation, and administration of labor agreements with site operating unions, including the interpretation of various labor legislation and laws pertaining to work performed by its subcontractors. It is also responsible for maintaining positive communication with the various Building Trades Unions and for ensuring they are aware of covered work that will be performed under this contract on site.
2. Human resources management activities shall be In accordance with the terms and conditions of this contract and all applicable laws, Human resources management includes, but is not limited to, workforce transition activities, filing vacancies, grievance administration, arbitration, wage and salary administration, benefits administration, Service Contract Act compliance, seniority / recall administration under applicable Collective Bargaining Agreements, and compliance monitoring of the Workplace Substance Abuse Program, EEO and Diversity program administration and administration of the Work Force Information System (WFIS) DOE

Bargaining Calendar database.

3. Workforce transition activities include, but are not limited to, the tracking, coordination and execution of selection and transition of site workers including the bargaining unit employees in accordance with the terms and conditions of this contract and all applicable statutes and regulations, communication of transition issues, coordination of applicable severance plans with the preceding contractor, and benefits coordination and administration and implementing any changes to plans.
 4. Benefits coordination and administration activities include, but are not limited to, all activities necessary for participation/sponsorship in the BJC Multiple Employer Pension Plan (MEPP) and the Multiple Employer Welfare Arrangement (MEWA) and entering into an administrative services agreement with BJC for these plans in accordance with the contract terms and conditions including but not limited to H.20, Workforce Transition and Human Resources Management and all applicable laws. The contractor shall also perform all activities necessary for any and all other benefit plans, including its own plans, to be implemented/sponsored/administered in accordance with H.20, Workforce Transition and Human Resources Management and all applicable laws.
5. Clause H.20 is deleted and replaced with the following:

H.20 Work Force Transition and Human Resources Management

- (a) General Principles -- The Contractor shall adhere to the following requirements in its own human resources related actions and cooperate with other contractors of the Department of Energy, as necessary, in order to meet the following objectives: (1) achieve an orderly transition (2) be fair to incumbent employees and maintain a productive and flexible work force (3) minimize the cost of the transition and its impacts on other DOE programs, and (4) promote those practices which will result in stable collective bargaining relationships.
- (b) For purposes of this clause, the following definitions are applicable.
 - (1) "Grandfathered employees" are non-managerial employees (i.e., those below the first level of supervision) who are vested participants in the Multiple Employer Pension Plan (MEPP) sponsored by BJC at the time of contract transition.
 - (2) "Incumbent contractors" are Bechtel Jacobs Company, L.L.C. (BJC) and its first and second tier subcontractors.

- (3) "Incumbent employees" are employees employed by the incumbent contractors at the beginning of contract transition.
 - (4) "Preference-eligible employees" (for purposes of this clause) are employees on the rolls of BJC or USEC at the Portsmouth or Paducah gaseous diffusion plant at contract transition and grandfathered employees on the rolls of BJC's first and second tier subcontractors at the Portsmouth or Paducah gaseous diffusion plant at contract transition.
- (c) Transition and Hiring Preference – Preference-eligible employees and former employees will receive a preference in hiring for vacancies for non-managerial positions (i.e. all those below the first line of supervision) in non-construction activities listed in the SOW during the first six months after the effective date of this contract in accordance with this clause in the following order of preference:
- (1) Preference-eligible employees shall receive a right of first refusal for vacancies at the site at which they are employed at contract transition in positions substantially equivalent to the positions they currently perform.
 - (2) Preference-eligible employees shall receive offers for vacancies at the site at which they are employed at contract transition in positions for which they are qualified within the same function as the positions they currently perform.
 - (3) Preference-eligible employees shall receive offers for vacancies at the site at which they are employed at contract transition in positions within the same function as the positions they currently perform, for which they are not qualified but agree to become qualified and can become qualified for by the commencement of active employment under this contract with the training provided pursuant to subparagraph (f)(5) below.
 - (4) Preference-eligible employees who were employed at either of the gaseous diffusion plants on July 1, 1993, and who have been identified as being at risk of being involuntarily separated from employment by a plant closing or mass layoff (as such terms are defined in Section 2101(a)(2) and (3) of Title 29 of the United States Code) at such plant shall receive offers for vacancies at the site at which they are employed at contract transition in positions for which they are qualified by the commencement of active employment under this contract with the training provided pursuant to subparagraph (f)(5) below.
 - (5) Former employees who are entitled to recall rights under applicable collective-bargaining agreements with BJC or its first or second tier subcontractors or USEC and who are qualified or can become qualified by the commencement of active employment for openings at the site, shall receive recall rights for openings at the site at which they were employed consistent with applicable site seniority at the site.

- (6) Former USEC and former BJC employees and grandfathered former employees of BJC's first and second tier subcontractors at the Portsmouth or Paducah gaseous diffusion plants who involuntarily separated (other than for cause) from employment and who are eligible for the hiring preference contained in the clause in Section I of this contract entitled "Displaced Employee Hiring Preference" shall receive a preference-in-hiring for openings as provided in that clause and as consistent with the provisions of any applicable Work Force Restructuring Plan, as amended from time to time, regarding the preferential hiring of employees.
- (7) Former employees of other DOE contractors who are eligible for the hiring preference contained in the clause entitled "Displaced Employees Hiring Preference" shall receive the preference included in that clause.
- (8) After the above preferences have been satisfied, other individuals who have separated from employment at the Portsmouth and Paducah gaseous diffusion plant and who are not barred from seeking employment at the Portsmouth or Paducah site by the terms of employee waivers or releases of claims they executed shall receive preference for openings for which they are qualified or can become qualified at the Portsmouth or Paducah site with the training provided pursuant to subparagraph (f)(5) below.

When these hiring preferences are applicable to positions covered by a collective-bargaining agreement at contract transition, the preferences shall be applied consistently with any applicable seniority at that site.

(d) Labor Relations

- (1) The Contractor and its subcontractors agree to conduct labor relations in accordance with applicable laws and DOE's intent that labor relations policies and practices reflect the best experience of American industry in aiming to achieve the stable labor-management relations essential to successful accomplishment of DOE's programs at reasonable cost. The Contractor and its subcontractors will maintain positive labor-management relations when performing work under this contract.
- (2) The Contractor and its subcontractors, in good faith at all times, will respect the rights of employees under the National Labor Relations Act to self organization; to form, join or assist the Paper, Allied-Industrial, Chemical, and Energy Workers International Union (PACE) or other labor organizations; to bargain collectively through PACE or other representatives of their own choosing; to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection; and to refrain from any and all such activities.
- (3) Consistent with applicable labor laws and regulations for that work that is being performed by members of PACE at the time that the Contract is entered into, the Contractor agrees to recognize PACE as the collective-bargaining representative for employees performing work that has

historically and traditionally been performed by PACE members and is covered in the scope of this contract, and to negotiate a collective bargaining agreement that considers the continuing work under this Contract.

- (4) DOE will leave the collective bargaining process to orderly negotiation and agreement between Contractor management and the certified representatives of its employees.

(e) Employee Relations

The Contractor and its subcontractors shall maintain an effective employee concerns resolution program.

(f) Pay and Benefits

- (1) The Contractor shall provide a competitive overall pay and benefits package to its employees. Contractors shall develop and implement welfare benefit programs that meet the tests of allowability and reasonableness established by Federal Acquisition Regulations 31.205-6.

- (2) For incumbent grandfathered employees who are hired under this Contract, the Contractor shall maintain benefit plans, including health and welfare plans, as set forth in detail below:

- (A) The Contractor shall credit all such employees with their current length of service toward fringe benefits, including vacation, retirement benefits, and severance pay.

- (B) Pension Plans -- The Contractor shall become a participating/sponsor employer in the BJC MEPP as soon as possible but no later than ninety days after award. Incumbent grandfathered employees will be credited for their prior service under the plan and for their service under this contract. The Contractor shall enter into an administrative service agreement with BJC regarding the administrative services and the cost thereof to be provided by BJC. The Contractor shall comply with all applicable laws, including but not limited to Internal Revenue Code and Employee Retirement Income Security Act requirements.

- (C) Other Benefit Plans -- For incumbent grandfathered employees, the Contractor shall become a participating/sponsoring employer in the current BJC Multiple Employee Welfare Arrangement (MEWA) as soon as possible but no later than ninety days after award. The Contractor shall also enter into an administrative service agreement with BJC regarding the administrative services and the cost thereof to be provided by BJC. The Contractor shall comply with all applicable laws, including but not

limited the Internal Revenue Code, Employee Retirement Income Security Act requirements and state laws.

- (3) For incumbent non-grandfathered employees, the Contractor is free to set its own terms and conditions of employment, so long as (i) those packages include market-based retirement and medical benefits and are competitive for their industry and (ii) the Contractor maintains non-pension benefit plans, including health and welfare plans, that are substantially equal in the aggregate to their non-pension benefits at contract transition for the first year under this contract and as consistent with the Service Contract Act. The Contractor shall comply with all applicable laws, including the Internal Revenue Code and the Employee Retirement Income Security Act. With contracting officer approval, if the Contractor meets all applicable legal and tax requirements, the Contractor may establish a separate line of business pursuant to Internal Revenue Code (IRC) §410 and §414 for the purpose of maintaining the federal tax qualification of pension plans covering the contractor's employees.
- (4) The Contractor shall credit all incumbent employees hired under this contract with their current length of service toward fringe benefits, which also includes vacation, retirement benefits (consistent with the terms of the plan(s)) and severance pay. The contract transition shall not constitute a break in plan service.
- (5) For all employees other than incumbent employees, the Contractor is free to set its own terms and conditions of employment, so long as those packages include market-based retirement and medical benefits and are competitive for their industry. Non-incumbent grandfathered employees vested in the BJC MEPP who are hired by the Contractor under this contract shall be eligible for participation in the MEPP and allowed to continue to accrue credit for service under this contract in the MEPP consistent with the terms of the MEPP. The Contractor shall comply with all applicable laws, including the Internal Revenue Code and the Employee Retirement Income Security Act.
- (6) Unless they are vested participants in the BJC MEPP at the time of contract transition, employees shall not become a part of the BJC MEPP.
- (7) Training -- The Contractor will establish a one-time training program specifically for the purpose of training individuals who are employed by BJC or its first or second tier subcontractors in the skills classifications required for the commencement of the non-construction activities listed in the SOW for workers who are threatened with involuntary separation (except for cause) consistent with paragraph (c) above. The one-time training program will not exceed six months in duration and \$5,000 (subject to available funding) per person in cost in addition to wages and benefits.

(8) Severance Pay -- Severance pay is an unallowable cost at the end of the contract for an employee that receives an offer of employment with a replacement contractor or subcontractor or another DOE contractor or subcontractor with substantially equivalent benefits.

(g) No Third Party Beneficiaries -- No person shall have a right of action against the Contractor or a first or second tier subcontractor of the Contractor concerning issues arising under or related to matters addressed in this clause or any other clause in this contract.